

LABOR RELATIONS/CITY COUNCIL PROCEEDINGS
CONFERENCE ROOM NO. 1
CITY OFFICE BUILDING
WILLMAR, MINNESOTA

October 30, 2015
4:45 p.m.

The meeting of the Willmar Labor Relations Committee/Council opened at 4:45 p.m. Council Member Ahmann informed the Council that City Attorney Robert Scott ruled that any time there is a Committee meeting and the full Council is in attendance, the Mayor presides over the meeting.

Members present on a roll call were Mayor Marv Calvin, Council Members Ron Christianson, Andrew Plowman, Tim Johnson, Steve Ahmann, Denis Anderson, and Audrey Nelsen. Present 7, Absent 1. Council Member Rick Fagerlie was excused from the meeting.

Also present were Interim City Administrator Kevin Halliday, Finance Director Steve Okins, Police Chief Jim Felt, Fire Chief Frank Hanson, Public Works Director Sean Christensen and Administrative Assistant Janell Sommers.

Mayor Calvin informed the Council that the Administrative Assistant to the City Administrator's job description was updated by Council Members Johnson and Anderson. Council Member Anderson explained the changes needed to reflect that this position is confidential by nature and by making these changes, this becomes a confidential position. Council Member Nelsen questioned if this document was the same one she had seen earlier and reviewed the document. Council Member Christianson made a motion to approve the Administrative Assistant to the City Administrator job description as presented. Council Member Johnson seconded the motion, which carried.

Mayor Calvin called on Council Member Plowman for presentation of the Subcommittee reports regarding Non-Organized Employees which include three separate documents for consideration. Council Member Plowman explained the changes to the document for the Administrative Assistant to the City Administrator starting with stating the purpose of the policy is to achieve and maintain sound, harmonious and mutually beneficial working conditions with the Administrative Assistant to the City Administrator.

The first change to be noted was under Article 10.1 - Work Schedule noting employees classified as Non-Exempt under the Fair Labor Standards Act (FLSA) shall be eligible to receive overtime compensation computed at one and one-half times the applicable hourly pay rate for time worked in excess of forty hours a work week rather than in excess of eight hours a day under the direction of their supervisor.

In Article 11.1 - Health Insurance Council Member Plowman stated the City agrees to provide an insurance program for hospitalization and major medical coverage comparable to the current Basic Plan. Effective for 2016, the City will contribute \$1,428 per month toward the cost of the monthly premium for family coverage under the Basic Plan. Any additional cost in the premium for the family Basic Plan or for a higher paid plan option will be paid by the Employee through payroll deduction. For 2017, and annually thereafter, the City will contribute up to fifty percent of the increase in the cost of the monthly premium for dependent coverage under the Basic Plan. Any additional cost shall be paid by the employee through payroll deduction.

In Article 11.4 within the second paragraph Council Member Plowman noted the change in the establishment of a health insurance premium payment fund from the employee's accrued sick leave fund to state interest may be earned through December 31, 2015 at the rate of 6.0% of the year-end balance. No interest shall accrue after December 31, 2015. After December 31, 2015, Employees shall have the option upon retirement of a cash payment of their accrued sick leave pursuant to Article 7.4, or the establishment of a post-employment health care savings plan. The option chosen by Employees shall apply to all Employees.

Lastly for the Administrative Assistant to the City Administrator under 12.1 – Deferred Compensation, the employee may participate in a deferred compensation program. The City agrees to provide a matching contribution of up to a maximum of \$1,250 annually. Employees hired on or after January 1, 2016, shall not be eligible for participation in this program.

Council Member Nelsen questioned if those were the only changes or if 11.2 was new? Mayor Calvin noted that the only change was the year to 2017. Council Member Anderson cited that it is the intention of the City in 2017 to look at a VEBA or HSA health insurance plans as an additional option for all employees.

Council Member Christianson made a motion to approve the policy for the Administrative Assistant to the City Administrator as presented. Council Member Ahmann seconded the motion.

Council Member Ahmann informed the Council that the Subcommittee has put many hours into establishing these policies and today met with each affected individual.

Council Members Anderson and Nelsen expressed concern that the Subcommittee had already met with the employees rather than the policies being brought before Council first. Council Member Ahmann stated they wanted input from the employees as recommended and approved by Labor Attorney Frank Madden. Council Member Christianson clarified the reason to meet with the employees was to get their ideas and as a result of that, some language was modified.

Council Member Anderson wanted to make it clear he was not objecting to the product, his concerns are with the process stating he believes his motion was to bring the documents back to the Labor Relations Committee. Council Member Nelsen expressed her concerns as well stating she hoped the Open Meeting Law had been followed and did not believe anyone had been authorized to act as a City Administrator.

The Mayor called the question, which carried.

Council Member Plowman initiated the document for the Non-Organized Employees but due to the computer crashing during revisions, some language was not saved. A new first page was requested for the Council Members and in the interim; the policy for the City Department Heads was discussed.

Council Member Plowman covered the changes to the Policy for the City Department Heads identifying job titles that this policy applies to. The first revision was to Article 10 – Work Schedule whereby it states the normal work week for full-time Departments Heads shall consist of forty hours. However, it is expected that Department Heads will provide the service necessary to carry out the responsibilities of their positions. Department Heads are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA) and shall not be entitled to accrue overtime or compensatory time for hours worked in excess of forty hours per week.

Council Member Plowman went on to present language in Articles 11 – 14

Article 11 – Health Insurance was very similar to the previous document for the Administrative Assistant in terms of the City's match for 2017 and also outlines the 2016 policy. 11.4 was also stated as being similar to the previous document.

Article 12 – Clothing Allowance it states the City shall annually provide a clothing allowance to the Police Chief (electing to wear a uniform), and Fire Chief up to \$750.00. The allowance will be based on a voucher system under the direction of the City Administrator and subject to a list of items issued by the Department Head or may be paid in a lump sum for the year subject to the condition that if a Department Head terminates employment during the year after receiving a lump-sum payment, said Department Head will repay the City on a pro rata basis. If necessary, the City Administrator has the authority to order the Department Head to replace his/her uniform or parts thereof.

Article 13 –Deferred Compensation - The City agrees to participate with Department Heads in a deferred compensation program. City agrees to provide a matching contribution of 100 percent not-to-exceed \$2,000. Department Heads hired on or after January 1, 2016 shall not be eligible for participation in this program.

14.1 - Vehicle Allowance/Assignment - Effective January 1, 2016, Department Heads shall receive a vehicle allowance of \$350.00 per month, except those Directors who are assigned vehicles for business use. Assigned vehicles may be used to and from work. Effective January 1, 2016, vehicles and/or granted vehicle allowances will be granted at the sole discretion of the City.

Council Member Christianson made a motion to approve the policy for the City Department Heads as presented. Council Member Ahmann seconded the motion, which carried. Council Members Anderson and Nelsen went on record to say the product is fine, they did not approve of the process. Council Member Johnson asked to go on record that he was not in attendance when this process was put forward.

Council Member Plowman brought forward for discussion the final policy for Non-Organized Employees. The purpose of the policy was the same. This document governs the Administrative Assistant in the Police Department and the Accounting Supervisor. Again the first pages were the same until Article 10 – Work Schedule where it was defined as The normal work week for full-time Employees shall consist of forty (40) hours. Employees classified as "non-exempt" pursuant to the Fair Labor Standards Act (FLSA) and shall be eligible to receive overtime compensation computed at one and one-half (1 1/2) times the applicable hourly pay rate for time worked in excess of forty (40) hours in a 40 hour work week, Sunday 12:00 a.m. through Saturday 11:59 p.m. An employee may be required to take time off from work during the same work week in order to eliminate overtime payments, at the discretion of the Employer. Such time shall be on a straight time basis.

11.1 – Health Insurance reads identical to the previous two documents. 11.4 – Reads similar to the policy for the Administrative Assistant to the City Administrator whereby interest may be earned through December 31, 2015 at the rate of 6.0% of the year-end balance. No interest shall accrue after December 31, 2015. After December 31, 2015, Employees shall have the option upon retirement of a cash payment of their accrued sick leave pursuant to Article 7.4, or the establishment of a post-employment health care savings plan. The option chosen by Employees shall apply to all Employees.

Council Member Anderson asked for clarification on Article 10.2 whereby it states non-exempt employees may be permitted to accrue comp time in lieu of overtime upon written approval of the City Administrator. Compensatory time may be permitted to accumulate to a maximum of eighty (80) hours. Overtime hours worked while an employee has the maximum of eighty (80) hours accumulated compensatory time shall be paid overtime.

Mayor Calvin explained it is his understanding that non-exempt employees are permitted to accrue compensatory time in lieu of overtime up to 80 hours by approval of the City Administrator and/or Department Director. They cannot be forced to choose comp time and can receive overtime if they choose to do so up to a maximum of 80 hours. The issue of the amount of hours and the timeframe they can remain on the books was asked to be clarified by Council Member Anderson.

Council Member Christianson stated his understanding is these are policies and if the Council finds things they would like to change they can be amended. These policies were needed in order to meet the health insurance open enrollment deadline.

Council Members Anderson and Nelsen went on record to say they liked the product yet, they did not approve of the process. Council Member Christianson made a motion to approve the policy for the Non-Organized Employees as presented. Council Member Ahmann seconded the motion, which carried.

Council Member Ahmann brought forth an issue relating to the health insurance payment for December for the three groups and/or individuals affected by the approved policies. He informed the Council that the deduction for an employee's health insurance premium is taken out of their salary the month prior and by implementing this action for 2016, the employees are in essence taking a decrease. He suggested the employees be reimbursed for their deduction of the approved insurance costs whereby the employee will pay \$90 for their health insurance premium in the December, 2015 deduction for January, 2016.

Discussion was held as to how to compensate the employees for the difference. Mayor Calvin stated the intent would be to keep the employee's contribution for health insurance the same in December as it is in November so the employee does not see an out-of-pocket expense prior to discussing their compensation packages with them in whatever way it can be worked out with the Finance Department.

Council Member Plowman noted that this was one example of an item that was discovered by holding discussions with the employees.

Member Christianson made a motion to leave the employee's contribution for these Non-Organized employees for health insurance payable in December, 2015 for January 2016 at \$90.00 and to work with the Finance Department to carry out the order. Council Member Anderson seconded the motion, which carried.

Mayor Calvin opined that he felt the process that was undergone to develop these policies was very thorough. Council Member Christianson reiterated this and felt the Council would eventually ask the new City Administrator to take all three of these policies and combine them into one document. Council Member Ahmann stated the subcommittee still has the issue of compensation ahead of them and will be working with salary data received from similar communities and job types. He stated they are also awaiting clarification from the Police Commission relating to changing job descriptions.

Council Member Anderson requested a closed session for the Labor Relations Committee on Thursday, November 5, 2015 at 4:45 p.m. as Labor Attorney Frank Madden can be in attendance. Council Member Nelsen expressed she was uncomfortable with the process and does not believe that was the intent of the committee. Council Member Plowman expressed that the reason these events took place the way they did was due to the timeline.

Council Member Anderson offered a motion to adjourn the meeting with Council Member Christianson seconding the motion, with carried. The meeting adjourned at 5:37 p.m.

Attest:

MAYOR

SECRETARY TO THE COUNCIL